

Administrative Notice DMMA-05-2006

TO: All Staff

DATE: May 22, 2006

Section 1931 and Transitional Medicaid

BACKGROUND

Delaware's welfare reform waiver, "Delaware's Temporary Assistance for Needy Families Program" (TANF) extended Transitional Medicaid coverage for up to 24 months. This waiver expired on September 30, 2002. DMMA used the option under Section 1931(b)(2)(C) of the Social Security Act to disregard all earned income for 12 months after employment causes ineligibility for a family under the Section 1931 coverage group. This effectively extends Medicaid coverage for up to 24 months.

DISCUSSION

Families must first establish eligibility under Section 1931 counting both earned and unearned income. When employment makes the family ineligible, earned income is disregarded for 12 months. This 12 month earned income disregard provides a 12 month extension under Section 1931. Unearned income is counted during this Section 1931 extension.

A redetermination is required at 12 months. Earned income is counted after the expiration of the 12 month earned income disregard. The family may cascade to Transitional Medicaid. Transitional Medicaid extends for up to one year. The year is divided into two periods of six months each. During the first six month-period there is no income test. During the second six-month period the family's gross monthly earnings minus dependent care costs must not exceed 185% of the Federal Poverty Level. There are no limits on dependent care costs. A redetermination is required at the end of the Transitional Medicaid 12 month extension.

PROCEDURES

DCIS programming for the 12 month extension under Section 1931 and the 12 month extension under Transitional Medicaid will go into production on June 2, 2006. This programming will apply to eligibility determinations being made for July 2006 and ongoing. Existing Transitional Medicaid cases will continue with the 24 month extension that was established for the family.

ACTION REQUIRED

- Review the policy for Section 1931 at DSSM 15120.2
- Review the policy for Transitional Medicaid at DSSM 15200

DIRECT INQUIRIES TO

Jill Williams
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___ Signed - May 23, 2006 _____

HARRY HILL
DIRECTOR
DIVISION OF MEDICAID & MEDICAL ASSISTANCE